

SENATE BILL NO. 194—COMMITTEE ON JUDICIARY

FEBRUARY 24, 2003

Referred to Committee on Judiciary

SUMMARY—Provides for allocation of utilities by landlord to tenant pursuant to ratio utility billing system. (BDR 10-753)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to property; providing for the allocation of utility charges by a landlord to a tenant pursuant to a ratio utility billing system; providing for the enforcement of payment of such utility charges; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 118A of NRS is hereby amended by
2 adding thereto a new section to read as follows:
3 1. *A rental agreement may provide for payment by the tenant*
4 *to the landlord, pursuant to a ratio utility billing system, for a*
5 *utility service that provides to the tenant and one or more other*
6 *tenants:*
7 (a) *Electricity;*
8 (b) *Telephone service;*
9 (c) *Cable television service;*
10 (d) *Gas;*
11 (e) *Water;*
12 (f) *Wastewater removal; or*
13 (g) *Solid waste removal.*
14 2. *For each utility service described in subsection 1, the*
15 *landlord may allocate among the applicable tenants pursuant to a*
16 *ratio utility billing system:*



- 1 (a) *The charges incurred by the landlord for the utility service*
- 2 *for the dwelling units of the applicable tenants; and*
- 3 (b) *Not more than 90 percent of the charges incurred by the*
- 4 *landlord for the utility service for the common areas available to*
- 5 *the applicable tenants.*
- 6 3. *If a rental agreement provides for payment by the tenant to*
- 7 *the landlord, pursuant to a ratio utility billing system, for a utility*
- 8 *service described in subsection 1:*
- 9 (a) *The landlord may charge the tenant:*
- 10 (1) *The portion of the charges for the utility service that are*
- 11 *allocated to the tenant pursuant to the ratio utility billing system;*
- 12 *and*
- 13 (2) *An administrative fee in an amount such that the total*
- 14 *of the administrative fees paid by the applicable tenants does not*
- 15 *exceed the actual administrative costs incurred by the landlord in*
- 16 *administering the ratio utility billing system for the applicable*
- 17 *tenants.*
- 18 (b) *The rental agreement must provide for the tenant to receive*
- 19 *a bill in advance of each such payment. The bill must indicate, for*
- 20 *each utility service for which the tenant is being charged pursuant*
- 21 *to a ratio utility billing system:*
- 22 (1) *The utility service;*
- 23 (2) *If the utility service is metered, the opening and closing*
- 24 *meter readings and the dates of the meter readings;*
- 25 (3) *The amount of the charges for the utility service that*
- 26 *are allocated to the tenant pursuant to the ratio utility billing*
- 27 *system; and*
- 28 (4) *The amount of any administrative fee charged to the*
- 29 *tenant.*
- 30 (c) *The landlord may charge the tenant a late fee of not more*
- 31 *than \$10 if the tenant fails to make a payment when due. The due*
- 32 *date must not be less than 15 days after the date on which the bill*
- 33 *is mailed or delivered.*
- 34 (d) *The rental agreement must specify:*
- 35 (1) *Each utility service for which the landlord may charge*
- 36 *the tenant pursuant to a ratio utility billing system; and*
- 37 (2) *For each utility service that the landlord may charge the*
- 38 *tenant pursuant to a ratio utility billing system:*
- 39 (I) *A description of the ratio utility billing system that*
- 40 *will be used to allocate utility charges to the tenant; and*
- 41 (II) *Any administrative fee that will be charged to the*
- 42 *tenant for the administration of the ratio utility billing system.*
- 43 (e) *After the tenancy begins, the landlord may not begin to*
- 44 *charge a tenant pursuant to a ratio utility billing system for a*
- 45 *utility service for which the tenant had not previously been*



1 *charged pursuant to a ratio utility billing system unless the*
2 *landlord provides written notice to the tenant not less than 90 days*
3 *before the beginning of the first period of time during which usage*
4 *of the utility service will be billed to the tenant pursuant to the*
5 *ratio utility billing system.*

6 *4. If a landlord fails to comply with the provisions of this*
7 *section, the tenant must first object in writing to the landlord*
8 *regarding the failure to comply. If the dispute is not resolved*
9 *within 30 days after the date the tenant delivers his written*
10 *objection to the landlord, the tenant may file a civil action in any*
11 *court of competent jurisdiction within this state to enforce the*
12 *provisions of this section.*

13 *5. This section does not prohibit a landlord from entering*
14 *into an agreement with a tenant to pay for utility services in a*
15 *manner other than by using a ratio utility billing system,*
16 *including, without limitation, by:*

17 *(a) Submetering; or*

18 *(b) Providing for direct payment by the tenant to the provider*
19 *of the utility service.*

20 *6. As used in this section:*

21 *(a) "Applicable tenant" means a tenant to whom is provided a*
22 *particular utility service described in subsection 1.*

23 *(b) "Ratio utility billing system" means a system for billing for*
24 *charges for a utility service in which:*

25 *(I) The provider of the utility service charges and collects*
26 *payment from a landlord for the utility service;*

27 *(2) The landlord allocates to each applicable tenant a share*
28 *of the charges for the utility service based upon:*

29 *(I) The number of tenants;*

30 *(II) The livable square footage of each dwelling unit;*

31 *(III) The number or types of dwelling units;*

32 *(IV) The number of water fixtures, if the utility service*
33 *is for water or wastewater removal;*

34 *(V) Submetered measures of hot water usage, if the*
35 *utility service is for water or wastewater removal; or*

36 *(VI) Any method or combination of methods that fairly*
37 *allocates among the tenants the charges of the utility provider;*
38 *and*

39 *(3) Pursuant to this section, the landlord charges and*
40 *collects from each applicable tenant the share of the charges*
41 *allocated to the tenant.*

42 **Sec. 2.** NRS 40.2512 is hereby amended to read as follows:

43 **40.2512 1.** A tenant of real property or a mobile home for a
44 term less than life is guilty of an unlawful detainer when he
45 continues in possession, in person or by subtenant, after default in



1 the payment of any rent and after a notice in writing, requiring in the
2 alternative the payment of the rent or the surrender of the detained
3 premises, remains uncomplied with for a period of 5 days, or in the
4 case of a mobile home lot, 10 days after service thereof. The notice
5 may be served at any time after the rent becomes due.

6 **2. *As used in this section, "rent" includes a charge payable***
7 ***by a tenant to a landlord pursuant to section 1 of this act.***

8 **Sec. 3.** The provisions of this act apply to a rental agreement
9 entered into on or after October 1, 2003.

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